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there is that the conference between Premiers Lloyd-George and Poincaré will speedily reach an agreement which will save the situation.

In Mr. Kent's article in the *Sun* this appears:

"All I can do is to lay the financial facts about France before the American Treasury officials and let them see exactly the fix she is in. I can suggest no plan by which France can now pay either interest or principal of her war debts. I have not come over for that purpose. I have come to lay all the data on the table, so that there may be no misunderstanding of France's position."

This is the way his mission to this country was summed up today by Jean V. Parmentier, Director of Finance of the French Treasury, who will appear before the American Foreign Debt Commission Thursday to discuss the funding of the French debt to this country. M. Parmentier is an exceedingly attractive and earnest young Frenchman of marked ability and charm. He presents his case with both force and logic.

HAS NO PLAN AT PRESENT

"France," he says, "has no plan for paying the debt. How can she have? With the best will in the world, she is unable at this time to shoulder any additional burden without disaster. Faced this year with a heart-breaking deficit in her budget of more than four billions of francs, there seems no possible road to closing this gap except through the medium of further internal loans, which increase the national debt, increase the annual interest thereon, and enlarge the annual deficit. It is a method that ultimately means instead of requiring 53 per cent of all revenue from all sources to meet this interest, 100 per cent will be required, and there will be nothing left for the expenses of running the French Government."

"The only way back to balanced budgets and financial safety lies along the reparation route. Unless France, which has been brought to this point by the war, can secure reimbursement from Germany for the frightful damage wrought to the richest and most fertile part of the country, she cannot meet her obligations nor maintain her equilibrium. If France is to pay, she must be paid."

COMPARES 1913 AND 1922 BUDGETS

Concerning the suggestion that France might better her financial situation by the cutting down of her military forces, the institution of rigid economy in governmental expenses, and the increase of her taxes, M. Parmentier has a very convincing and forceful answer.

"Look for a moment," he said, "at these figures of the proportion of revenue absorbed by the national debt, the military forces, and the civil service, respectively:

	1913.	1922.
National debt.....	26.8%	52.5%
Military	35.6%	19.5%
Civil service.....	37.6%	28%

"This shows," M. Parmentier continued, "that since the war began the interest on our national debt, not including foreign debts nor war debts, has doubled in its percentage of revenue absorbed, whereas the percentage of revenue devoted to keeping up our army has shrunk 16 per cent, and that devoted to all other governmental activities has dropped nearly 10 per cent. It seems to me these figures and facts are a sufficient answer to those who suggest that it is the expenses of our military forces or our governmental extravagance that prevent our finances from attaining stability."

90 BILLION GOLD MARKS ADVANCE

"The thing that hangs like a weight around the financial neck of France is the fact that she has advanced more than 90,000,000,000 of gold marks for the restoration of the devastated area in anticipation of receiving this sum from Germany in reparations due—and has not received it. Under

these circumstances does it not seem unreasonable to ask France to scale down her reparation claims against Germany unless some adjustment of France's foreign debts can be made? Would France, for instance, have the right to reduce her claim against Germany when she is unable to pay the claims of America and England against France?"

Taking up the matter of the income tax in France, M. Parmentier gave some interesting figures.

"Do you know," he said, "that there are only 32 people in the whole of France who have incomes exceeding 1,000,000 francs a year? One million francs at the present rate of exchange is less than \$100,000. Do you know that there are under 200 people in the whole of France who have annual incomes exceeding 500,000 francs, which would be about \$50,000 at the present rate? In France there is a far more even distribution of wealth than in any other country of the world. There are practically no great fortunes in France comparable to those in England and in America. A supertax on incomes in France would yield practically nothing."

REDUCING THE ARMY'S OFFICER PERSONNEL

Recently the War Department issued a statement which is, in a way, a milestone in the path toward reduction of militarism. The statement had to do with plans for eliminating from the service officers for whom there no longer is work, in consequence of the winning of the fight in Congress for a smaller army.

Part of the statement follows:

The army appropriation bill, which became a law on June 30, 1922, requires a drastic reduction in the commissioned personnel of the army. Readjustment to the new strength authorized in the law is to be accomplished by the retirement and discharge before January 1, 1923, of several hundred officers, and by recommissioning other officers in lower grades.

The difficult and highly important duty of selecting officers to be retired and discharged and of determining the numbers to be recommissioned in lower grades is, by the terms of the law, entrusted to a board of five general officers, including some from the retired list, to be convened by the Secretary of War. The magnitude and importance of the work of this board have caused the utmost care to be observed in the selection of its members. As the work must begin at once, it has been necessary to select the members of the board from among the general officers immediately available, who can be spared for this duty without interference with other important duties. In the cases of retired officers, selections have been limited to those who consent to being placed on active duty.

It has been the endeavor of the War Department to provide a board that would be thoroughly just and impartial and whose membership would represent the various classes of officers whose records must be weighed by the board. Officers now, or recently, closely identified with the present War Department administration have, in general, been excluded from membership, as have also officers who have been members of the annual classification boards to select the inefficient Class B officers. The membership of the board includes officers who are and others who are not graduates of West Point. It also includes an officer who did not serve abroad during the war. Among its members are officers who have served in the three major branches of the army—the infantry, the artillery, and the cavalry—and also officers whose service has been confined largely to staff departments.

The members of the board are as follows: Major-General Joseph T. Dickman, retired, president; Major-General Marritte W. Ireland, Major-General Henry P. McCain, retired; Brigadier-General Andre W. Brewster, and Brigadier-General Ernest Hinds.